Roy Morgan Research

Effectiveness of Competition in the ACT Electricity Market: A Qualitative Study of Domestic and Business Consumers

- Prepared for -
The Australian Energy Market Commission (AEMC)

- Prepared by -

Roy Morgan Research

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1. EXECUTIVE SUMMARY

Do domestic and business consumers in the ACT believe the local electricity market is competitive?

On balance, the focus groups suggest the answer is "no, not very competitive." Most participants saw ActewAGL as the dominant utility force in the ACT with powerful advantages over other companies. Most participants were aware they now have a choice of electricity suppliers. They could name a few other electricity companies beside ActewAGL but they struggled to name more than two or three, far from the 15 or more that are operating in, or licensed to operate in, the region. A few participants had switched suppliers or modified service plans but many more had not switched from ActewAGL, had not given much consideration to switching, or were not aware of alternatives.

According to participants, ActewAGL had a number of competitive advantages:

- Heritage: ActewAGL was recognised as being the only electricity supplier in the ACT at one time.
- Links to the government: ActewAGL was described as originally government-owned. The name itself identified it as bearing a special relationship to the government.
- Links to the community: Through the sponsorship of local sport events and charities, ActewAGL was described as the "local" electricity community. No other supplier was so embedded in the fabric of ACT life. ActewAGL also has shops where energy-related information and heating/cooling appliances can be purchased. Participants indicated that there was nothing stopping other electricity companies from being as visible in the ACT but ActewAGL had an enormous lead in this effort.
- The "grid": ActewAGL was described as creating/running the "grid," that is, the electricity infrastructure, as well as being an electricity provider like the others. Other electricity companies utilised the grid but did not maintain or control it. Participants suggested that other electricity suppliers had to use or buy the energy from ActewAGL. Moreover, some participants offered personal anecdotes and expressions of common knowledge that switching to a different company put them or their business at a service disadvantage. They reported, for example, getting inferior, delayed, or no attention in the case of power failures; they mentioned that general servicing of electricity needs would not be prompt (for example, repair of street lights). One participant indicated that only ActewAGL could read or get access to his meter.

- Bundling: Only ActewAGL offered bundling options that cut across such a wide range of services (gas, cable TV, internet, and telephone services). Some residents also (erroneously) included water in the bundling program. Participants were aware that TransACT was allied with ActewAGL. Other companies could bundle only gas with electricity. The range of options was more limited. Bundling enabled discounts on one or more of the services, giving ActewAGL a competitive advantage that others could not match.

Participants did not feel there was a level playing field for their electricity business in the ACT although they acknowledged that there were other companies vying for their contracts through door-knocking appeals and telephone solicitations. ActewAGL's advantages in the ACT made discussions of competition an almost academic, theoretical exercise. Some of this sentiment was certainly due to the general satisfaction with ActewAGL's services and how embedded in the community it was. No one suggested that community service and bundling were unfair business practices in and of themselves. However, it was clear that no other company was coming close to matching ActewAGL's efforts and success. While there was awareness of trustworthy sources to gather information about switching, such switching required overcoming inertia, overcoming the perception that the effort was not worth the money that could be saved by changing companies, and overcoming worries about using smaller, less well-established suppliers.

Whether or not there was perceived competition in the ACT energy market, there was a separate issue about whether competition was a good thing.

Because of ActewAGL's historical connection with the government, each group, in its way, discussed what policies, organizations, or systems were best suited for the delivery of electricity. Some participants preferred the "old" days when it was a government-run monopoly. They described electricity as a public utility, a basic service that should not be privatised or deregulated. More than one focus group member said that Australians are suspicious of privatisation. The support for a publicly owned utility was evident in the discussion about the presence or value of competition in the ACT, Not everyone accepted the premise that the free market was the right model for electricity. Cost-cutting and poor service were seen as inevitable consequences of the profit-driven private company.

Some voiced the opposing view that competition was good for the public and for business. Competition kept companies honest and on their toes because the customer could not be taken for granted. The company had to work to retain the customer. As a result, the consumer benefited through downward pressure on prices and a wider range of offers to choose among. Something that received wide agreement was the idea that if electricity was privatised or made more competitive, it should be Australian-based companies vying for the business. It was acknowledged however, that it was increasingly difficult to know which companies were domestic and which were international.

In sum, the focus groups yielded qualitative support for the idea that competition for electricity customers in the ACT is present but it is less than effective.

2. INTRODUCTION

2.1 Background

The AEMC is currently responsible for rules and policy advice covering the National Electricity Market (NEM) and elements of the gas markets. This includes rules which regulate the operation of the wholesale electricity market and electricity and gas distribution and transmission networks.

As part of the AEMC's advisory role, it is required to conduct a review of the effectiveness of retail competition in energy retail markets in each state and territory (except Western Australia). According to the Australian Energy Market Agreement (AEMA), the aim of the competition reviews is to assess the effectiveness of competition in the electricity and gas retail markets for the purpose of the retention, removal or reintroduction of retail energy price controls.

A review of the Victorian market and the South Australian market took place in 2007 and 2008, respectively. In March 2010, Roy Morgan Research was commissioned to assist the AEMC in undertaking the ACT review. Qualitative and quantitative research was carried out into the use of and attitudes toward electricity among small-scale users, residential and business, in the ACT.

Upon completion of the review, the AEMC will recommend ways to:

- phase out price controls if competition is found to be effective; or
- promote competition where competition is found to be less than effective.

The assessment is required to be conducted on the basis of criteria developed by the Ministerial Council on Energy (MCE) in consultation with the AEMC and other stakeholders based on the following principles[1]:

- **Independent rivalry within the market** – this promotes competition which according to economic theory should reduce price to a point near equilibrium
- **Ability of suppliers to enter the market** – this promotes competition by creating an open market for new competitors. It also identifies the extent to which a market is dominated by a few key players (i.e. an oligopoly)
- **The exercise of market choice by customers** – indicates customer engagement in their choice and their ability to act as rational agents, driving competitive markets to be efficient

[1] AEMA, Clause 14.11 (a) (i) and Annexure 3 as amended in June 2006

- **Differentiated products and services** – differential offerings aim to meet the differing needs of consumers
- **Price and profit margins –** a large profit margin indicates that markets are not price competitive, economic theory suggests that if markets are truly competitive profit margins will be at or close to zero
- **Customer switching –** transfer rates can indicate customer interest and activity in the competitive market.

3. RESEARCH OBJECTIVES

The overall objective of the consumer research is to provide key information about the electricity retail market to assist in the analysis of the effectiveness of competition in the ACT electricity market.

3.1 Quantitative Research among Small-scale Energy Customers

The quantitative research among domestic and business energy consumers will be reported on separately, later in June 2010.

3.2 Qualitative Research among Small-scale Energy Consumers

The qualitative research objectives include understanding:

- perceptions of competitive opportunities and offers available
- reasons for switching or not switching retailers
- reasons for choosing one retailer over another.

To accomplish the qualitative objectives, four focus groups were conducted moderated by a Roy Morgan Research Customised Research Project Director.

4. METHODOLOGY

4.1 Sample Definition

The table below summarises key criteria defining membership in the four focus groups.

<table>
<tr><th>Domestic Non-switcher Group</th><th>Domestic Switcher Group</th><th>Business Non-switcher Group</th><th>Business Switcher Group</th></tr>
<tr><td colspan="2">Person in a household within an ACT postcode</td><td colspan="2">Business within an ACT postcode</td></tr>
<tr><td colspan="2">Decision maker or shared decision making about the purchase of electricity</td><td colspan="2">Average monthly electricity bill under $1500/month[2]</td></tr>
<tr><td colspan="2">Not an ActewAGL employee (nor anyone on the immediate household)</td><td colspan="2"></td></tr>
<tr><td colspan="2">Electricity user</td><td colspan="2">Electricity user</td></tr>
<tr><td></td><td>Switched electricity suppliers since July 2003 in the ACT, OR considered switching in next 12 months, OR had taken out a market contract from an electricity supplier in the ACT in the last 12 months</td><td></td><td>Switched electricity suppliers since July 2003 in the ACT, OR considered switching in next 12 months, OR had taken out a market contract from an electricity supplier in the ACT in the last 12 months</td></tr>
</table>

Because ActewAGL has approximately 85% of the ACT market and switching rates are under 5% according to Roy Morgan Research Single Source data, it was recognized that finding pure switchers (switched electricity suppliers since July 2003) would be difficult. Recruitment criteria for the switchers were liberalised to include people/businesses that were considering switching in the coming 12 months or had taken out a market contract. This change made recruitment easier but also served to blur the distinction somewhat between non-switchers and switchers because a non-switcher may have at some point in the past also considered switching electricity suppliers.

4.2 Recruitment

Focus group participants were recruited by the Roy Morgan Research CATI (computer-assisted telephone interviewing) team in Melbourne. Telephone calls were made to listings

[2] The estimated amount of the monthly bill was used as the qualifying criterion for being a "small-scale" business user of electricity. For residents, it was assumed that all were small-scale energy consumers. The criteria of 100MWh per annum or less was not practical to utilise in screening as it would have required people to find utility bills or compute/estimate annual usage patterns.

in the White Pages for the ACT based on ACT postcodes. People were informed that paid discussions groups were being held concerning the electricity market in the ACT. Ten people were recruited for each two-hour session. Age and gender quotas were set on the groups such that the gender split did not exceed 7 to 3 in favour of males or females and approximately half of each group were under 50 years of age and half 50 years or over.

Domestic and business users were requested to bring a recent electricity bill to the focus groups. Domestic electricity users were offered $100 to participate and business users were offered $150.

All participants were informed during recruitment that the session would be videotaped. Maps and directions to the facility were sent by email on request. People were told at the end of the recruitment script that the study was being done for the Australian Energy Market Commission.

Recruitment questionnaires are attached in Section 6.

4.3 Procedure

4.3.1 Date and time of field work

The four focus groups were held on 24 - 25 May 2010. Sessions were held at 5:30 pm - 7:30 pm and 8 pm -10 pm on each day.

4.3.2 Venue

Sessions were conducted in conference rooms at the Novetel Hotel in Canberra. A stationary video camera was set up in the corner of the room. Participants sat at a standard rectangular conference table.

4.3.3 Attendance

Though 10 people were recruited per session and reminder calls were made, some chose not to attend for various reasons (illness, last minute timing conflicts, etc.) Final counts for each group are shown below:

Group composition	Domestic Non-Switcher Group	Domestic Switcher Group	Business Non-Switcher Group	Business Switcher Group
Total	7	8	8	7
Males	5	5	4	4
Females	2	3	4	3

4.3.4 Discussion Guide

A focus group moderator's guide was written for the domestic and business sessions in collaboration with the AEMC. Many of the same issues were covered in the two guides. Issues dealing with switching suppliers were discussed hypothetically with non-switchers. The moderator's guides appear in Section 6.

4.4 A Note about Focus Groups

Qualitative research provides access to the thoughts and attitudes of a small sample of people who are qualified to talk about relevant issues. It is best used as a way of hearing the "voice of the people," as fuel for additional research, or as the start of a policy review. It is not intended to be a precise and definitive measure of what your general target audience thinks. It should not be taken as providing numerical support for recommendations or courses of action regarding policy, strategy, or product/service changes.

5. DETAILED FINDINGS

To a great extent, residents and business customers did not differ in their comments about electricity usage, attitudes, and the marketplace. Similarly, because of the rareness of switching suppliers, the views of non-switchers and switchers overlapped in many cases. In the following sections, comments from the focus groups are provided topic-by-topic in the order they were addressed. Verbatims[3] are placed in quotation marks.

5.1 Electricity: The Current Situation

The group make-up was, not surprisingly, dominated by ActewAGL customers (90%).

What company are you with?	Domestic Non-Switcher Group	Domestic Switcher Group	Business Non-Switcher Group	Business Switcher Group
ActewAGL	6	6	8	7
TRUenergy	0	1	0	0
Energy Australia	0	1	0	0
Country Energy	1	0	0	0
TOTAL	7	8	8	7

The decision to become an ActewAGL[4] customer was not usually described as an extensive, active search among competing companies. No doubt this was because most participants were in the ACT when ActewAGL was the only company available to buy electricity from.

"It's a monopoly. For years, there's been no one else to get electricity from."
(business switcher)

"I've been with ActewAGL the whole time. Had a little bit of a look around 5 years ago but heard they do a pretty good deal and they got the better of the opposition."
(business switcher)

"There was no choice. I could have changed later (from ActewAGL) but I decided to stay with the same company." (resident non-switcher)

[3] In some cases quotations have been condensed or lightly edited for continuity purposes, i.e., due to interruptions, pauses, or distractions. The meaning has been preserved.

[4] Throughout this report, the company is referred to as ActewAGL rather than ActewAGL Retail, following usage observed in the sessions. Whether talking about infrastructure (poles and wires) or customer service, participants routinely referred to the company as Actew or ActewAGL, not ActewAGL Retail. They were aware that ActewAGL has retail locations, i.e., energy shops/stores in the ACT, but this did not affect their terminology (see Section 5.4 for more on this).

"When I came to Canberra there was only one company." (resident non-switcher)

A few people went through more steps:

"I was with Bay City[5] Electricity Authority years ago. Then I started to look at options, researched Country Energy, went with Energy Australia, offered me a pretty attractive discount on electricity and gas. They started getting the calculations incorrect, the promised discount suddenly changed. I started investigating again. There was a spate of door-knockers. It looked like it was better for me to go back to ActewAGL." (business switcher)

The groups struggled to name very many other electricity companies in the ACT that they could switch to.

"I have a vague inkling there may be one or two others. GE rings a bell." (business switcher)

"Energy Australia and Country Energy. They don't all offer all utilities." (business switcher, referring to bundling features offered)

Each company was able to offer electricity but they were distinguished on other dimensions: community activity, perceived connection to the government and the number of services that could be added.

"They do reinvest into the community. I haven't gained that same feeling from TRUenergy…You go to the football brought to you by Actew, that type of stuff." (resident switcher)

"Actew has a pretty close relationship with the ACT government. They came from there originally and a lot of their personnel came from there too." (resident switcher)

"It is a semi-public enterprise. The major shareholder is the ACT government but the minor shareholder is AGL gas… And TransACT and Actew are together, supplying all of your network services." (resident switcher)

[5] No company by this name appears to exist in Australia. The participant did not provide additional information to identify it.

"ActewAGL has a deal in the way you can have your gas, internet, mobile phones, and phones all with the same company and you get a discount from one of your accounts. They have a monopoly in this area." (resident switcher)

"The other two (Energy Australia and Country Energy) only have electricity and gas." (business switcher)

The idea of a company offering multiple services, termed "bundling," was widely known and utilized. While other electricity suppliers may be able to bundle gas and electricity, only ActewAGL currently bundles across so many categories. Detailed, certain knowledge of the bundling benefits and the extent of the available options were often a little shaky for participants (more so for residents than businesses). Some people believed there was a discount on each service if more than three were bundled. Others suggested it was a discount on only one nominated service in the bundle. Still others were sure that ActewAGL included water as a bundling option though they do not.[6] Bundling was described as a contract and a choice. A penalty would be incurred if the contract were broken, services dropped, or if switching to a new company.

"**Q**: How many of you have bundled services?
A1: yes, gas and electricity
A2: I have electricity, gas and water from Actew
A3: I bundled electricity, gas and water through Actew." (resident switcher)

(speaking about bundling) "I started off with three or four kinds of things that everyone needs, like electricity and water and gas" (resident non-switcher)

"There is a penalty of $50 I think at this stage of each thing that you swap. If you took away your mobile phones or something like that, well then they would say there would be a $50 penalty. If you downgrade, yes." (resident switcher)

"Bundling is mainly about locking you in with contracts. But after the two years you can do what you like really." (resident switcher)

Some participants used separate companies for services rather than bundle. They did not utilise bundling because, for example, TransACT did not service their area or their

[6] ActewAGL provides water services but not as a part of a bundling plan. In the group discussions of bundling, participants were quick to list all the services they received through ActewAGL but did not always clarify which ones were bundled and which not.

phone/internet usage level was judged insufficient to derive much benefit. In other cases, a better rate was obtained from a specialised company that focused more on the one service.

5.2 Choices/Options for Electricity

Most participants had found out they could switch electricity suppliers through the many standard channels of communication. Word of mouth was mentioned as well as door knockers, telephone sales calls, newspaper articles, and television. Most approached or would approach the decision rationally by comparing rates and plans once it was judged to be worth the effort. Raising the topic of rational versus emotional/intuitive decision-making triggered discussions about the special role of ActewAGL in the ACT community:

"ActewAGL is very skilful at promoting its image in the community. By sponsoring sport, by paying large sums to some women to play basketball. Their logo is plastered over community events, so they are thought to be a local company.
They have a generous public relations budget.
Q: Okay, and why do they do that?
A: I think to say that we will like them. It is a feeling of familiarity isn't it? That they're part of our community." (resident non-switcher)

The availability of switching was generally seen as a good feature of the market place, a welcome change from the time when there was no choice. Switching implies a benefit is forthcoming to the consumer:

"I expect to sign some form of contract, I will be given a choice of a plan and some form of incentive." (resident non-switcher).

"Switching means a new supplier providing the same service for a lesser cost."
(business non-switchers)

Participants are also aware that switching can entail staying with a company but adjusting the service plan. The "green energy" option was often cited (discussed further in a later section).

Switching suppliers is not more popular because of the generally good service provided by ActewAGL and the considerable forces of inertia that tend to keep people constant rather than in flux:

"It would be a job in itself to go to the trouble of comparing one company to another. It would have to be on my lap in front of me before I would bother."
(business non-switcher)

An interesting comparison was made in several sessions to telephone companies. Some participants noted that Telstra once monopolised that business but now there are many telephone companies, offers, and plans to be compared and selected. Information can be sought and informed decisions can be made with clear financial and service differences. The state of affairs for electricity was contrasted sharply with this. Many did not even think about doing the comparisons. Electricity options did not seem as "top of mind" or involving. This may be because a mobile phone is in some cases a fashion choice, whereas electricity is not. Nevertheless, beyond green energy and bundling, little was mentioned that differentiated one electricity supplier offerings from another. Participants struggled to think of anything new or different that had been introduced recently.

5.3 Competition

Participants recalled that competition in the electricity market arrived in the ACT between five and ten years ago. Some placed the date back in the 1990's. There was some awareness that it was phased in. Participants thought that competition for business contracts arrived first then domestic/residential. Most thought that existing companies were in competition to supply electricity services although the extent of the competition and the benefits were not always clear:

"If there are other companies, they haven't made any effort to come and get my business. I don't have any ads in regards to the other companies." (resident non-switcher)

"You would like to think that competition keeps prices lower generally across the board. I am not sure that is the case but competition gives you the impression that it is possibly happening." (resident switcher)

"One of the problems is that Actew is pretty dominant and that means that competition is not working as effectively as we would have hoped. They were in there first and they own the lines. The electricity still comes from Actew, all you are changing is who is billing you." (resident switcher)

Because the cost of electricity increases regularly, there was a sense that competition is not all that present or effective. Certainly, the number of electricity companies that could be recalled was not extensive and no one could name any recent or new entrants into the ACT market.

The issue of competition also stirs up a complex mix of comments about the effects of free enterprise, price controls, and the government's role in ActewAGL historically and at present.

"Price competition leads to downward pressure on consumer prices, in theory. Well it may, but offset against that is that price cutting leads to underinvestment and I could mention Mercury Power - a privatised electricity supplier in Auckland which indulged in ruthless price cutting but failed to maintain the main supply cable to Auckland which shut down for 3 months." (resident non-switcher)

"The government regulates the price increases. They say you are allowed to go up 15%, 10%, whatever, and it is only from that price point that the companies can go backwards from. If the government says you can only go up 15% in electricity, companies want to go up 30% because they are saying the cost has gone up and the government says 15%. Their fat is quite thin, therefore every supplier has only that thin layer of fat and once you start digging into that, then no one will profit or they won't survive. So that is why there is no significant difference because of that factor of regulation from the government. You do see on the news, on the six o'clock news, government only recommends 8% increase, electricity wanted 25%." (resident switcher)

Some viewed government as the most appropriate provider of electricity because it was seen as a core service or a right that should not be profit-motivated. Government can be trusted, on this view, to deliver electricity service and supply because it is more focussed on acting in the public's interest than business.

"Because of their commercial interests, they (competitors) are profit driven, profit motivated, and so even though services could be provided they are sometimes not as good as they might be. If they can prune a service or put in an automated telephone answering system for complaints, and that's cheaper, then that's the way it always seems to go." (business switchers)

"I've always thought there were certain functions that should remain public utilities. That would include schools, electricity supplies. I think it is best in the hands of the Government, provided the Government's reasonable." (business switcher)

"There are a few things I think the Government should retain ownership of, one is water and one is electricity. If you get foreign ownership there may be problems in the future." (resident non-switcher)

"Electricity is an essential service; the Government can't take it away from you…we hear of banks taking over houses but we neve hear of utilities cutting off your electricity." (resident non-switcher)

From the four focus groups, it seems that for every person who sees competition as a force that benefits the customer by way of downward pricing pressures and new benefits, there is another who focuses on the unscrupulous operator, sales pressure, and profiteering. One resident non-switcher referred to them as "rogue" companies. Making the ACT market more competitive may not be as simple as removing price controls and regulations. It may require additional assurances that consumer protections are more firmly in place.

"It's not so much monopoly when it's a service provided by the Government. When it becomes privatised there are other issues and that's when you don't want a monopoly...there are a lot of things that can wrong." (business non-switcher)

"I think we all preferred those days where we weren't worried about whether we were getting ripped off because the government didn't bother about making a huge profit." (business non-switcher)

The analogy to the telephone system was raised again in this context:

"I like having only one (electricity) company because with the phones it is a nightmare." (business non-switcher)

This business owner was thinking of service and billing foul-ups she has experienced with the phone companies, and how similar behaviour with electricity would prompt her to switch suppliers.

5.4 Before and After Switching

Whether or not people had switched suppliers, the importance of making an informed choice with accurate information was widely accepted. There were a number of trusted sources of information available. Choice Magazine was frequently mentioned as well as internet searches, the Ombudsman, word of mouth, friends, and family. However, there were gaps in people's knowledge. For example, there was little awareness of the terms "market and standard contract." The distinctions made between retailers, distributors, and suppliers were vague and stated without much confidence:

Q: What is a distributor versus a retailer versus a reseller of electricity?
A: I am sure I have heard all of those terms in relation to electricity and certainly when telephones were first deregulated, there was an absolute plethora of resellers just bulk-buying phone calls … I found it a waste of time and trouble analysing it.
Q: So what is Actew? A distributor, retailer, reseller, or all of that?
A: Everything, I think.
A: All of them.
A: I don't think it generates any electricity of its own. (business non-switchers)

Q: Tell me what does that mean to you? Retailers versus distributors?
A: Well, the re-sellers are a bit like the phone companies, they are just supplying someone else's, the same product.
Q: That's the re-seller? And what's the distributor?
A: The main source.
Q: Ok. And is that as far as the electricity world goes, how does that apply?
A: I just see it as ActewAGL.
Q: Is what?
A: The main source or the distributor, that's the way I see it.
Q: And the re-sellers, or the retailers?
A: For the other guys, I don't know.
(business switchers)

Participants knew that ActewAGL had retail outlets where electrical appliances and services could be purchased; other companies did not. The dominance of ActewAGL was asserted by participants and it was assumed that they operated across all the various domains and channels. The perceived absence or presence of competitiveness in the ACT did not appear to turn on knowing the distinctions among distributor, retailer, and reseller.

Participants wanted information that allowed them to make informed decisions and comparisons. Suggestions included clearer price comparisons (cost per KwH), comparisons of costs to those of an "average family," how much they are being charged for maintenance of the line service, and information about discounts proactively offered by electricity without having to ask for it.

People who have not switched would be tempted to change companies if there were "inconsistencies in my bills" (business non-switcher), if there were "substantial savings somewhere" (business non-switcher), if prices increased rapidly, if customer service declined, or if "more information was provided on patterns of consumption or environmental impact of consumer energy use." (resident non-switcher)

The groups did not feel it was the obligation on the part of the electricity suppliers to provide information that would assist them to switch providers, but they did expect transparency in the sense of clarity or plain language in bills and communications of all types.

Customers did not expect and were experiencing penalties for switching suppliers especially if they were not operating under a contract. Some people mentioned the benefits of the required cooling-off period as an important consumer protection:

"What happens is usually somebody's knocking on your door and they make you sign something. Then when you think about it, like, for example, this nonsense of $50 (a promised $50 incentive to switch), you realise it's not a $50 incentive per quarter, so then they (the customer) says, "I want to switch (back), I'm not happy."
So that's why if it is within the cooling period, that's fine.
So this cooling off period is the law." (resident non-switcher)

Interesting anecdotes and hearsay emerged in the discussion of ethical practices and fairness in the industry. There was a perception throughout the groups that ActewAGL can and does exercise a degree of clout:

"In 2008, I was trying to get TRUenergy to put (on) the electricity for weeks. I had no alternative but to go to Actew. TRU couldn't get the reading of the box because Actew set it up as the previous owners had Actew. There was some barrier there." (resident switcher)

"If we switched to another company – who'd fix the lines – all of those people?
I don't know. You may fall into the crack, like me between Optus and Telstra at home.
My phone just died and it's dead now.
Q: So you think it could happen in the electricity business?
That is the only thing I've got to go on. It would be a legitimate fear for a lot of people.
Q: Legitimate fear of what?
A: Not having electricity. Of being in that no-man's land; of the infrastructure being owned by Actew and your service provider of energy being someone else, and then having a problem and being bounced backwards and forwards and no-one fixing it for you."
(business non-switchers)

"Our shopping complex is open-air so we have lots of street lights so whenever there is drama it's Actew that actually has to fix them so it's a lot easier to deal with Actew as one of their customers rather than try and get them to do work when you're outside of that. We have an awning at the back of our shop and even though it's actually part of our premises, we're not allowed to touch it, it's up to Actew, so it's actually beneficial to have them as our supplier." (business switcher)

Actew was not always singled out in this regard, as the following quote shows with the references to "they" and "all of them."

"There are some streets where I know they pull the fuses, because they don't like what is going on there. But they can say that is maintenance that they have got to do.
You have got your electricity supplier right, you have a street where people are switching, they can go and pull the fuses and downgrade the line and then put the fuse back so that the people get brownouts. It goes on all the time. I talked to the guy that was doing it; he was changing the line from 100 kilovolt to an 8 kilovolt line. **All of them do it**. The whole point is that they are balancing their grid." (resident switchers)

Numerous avenues for lodging complaints were mentioned: the Essential Services Commission, the ACCC, the Ombudsman, the Voters Voice column in the Canberra Times, and contact with the customer service staff of the utility itself.

5.5 The Electricity Bill

Discussions of the electricity bill centred on format, layout, and information clarity rather than on comparisons of who was paying how much per month or per KwH. Enthusiasm for this topic was noticeable perhaps because everyone brought a bill and it did not seem like an abstract matter.

The bar graph of past usage was universally praised. People would prefer that five quarters of information always be shown. This would allow year-on-year comparisons of usage to be made (e.g., Q1 of this year vs. Q1 of last year) as well as a look at seasonal variations across a full year (e.g., Q1-4 of last year). One improvement idea was that the bar graphs show usage in KwH and dollars spent.

A few other comments were made about elements of the bill that are unclear:

> "I think there are a number of things I don't find clear say its like when they are talk of electricity consumption, there are metered numbers, [ENB3]. I don't know what it is [either]." (resident non-switchers)

> "The Greenhouse gas emissions line graph is meaningless to me, unfortunately. I wish I understood what that mean. I can see it going up and down, but what it means..." (business non-switchers)

People mentioned that a newsletter was usually included with the bill which listed community events and energy saving ideas. A suggestion was made that electricity companies should allow bills to be sent as e-mails to save on postage.

5.6 Other Topics

When asked directly, most participants revealed that they did not feel very well-informed about energy and electricity companies in the ACT. It was a service that sits in the background of attention. Participants were even surprised there was anything to discuss about the topic and were amazed that two hours could be filled talking about the issues.

Nevertheless, residential and business customers recognised some new initiatives and had suggestions to improve the industry.

The most recent "new" things were the solar panel and green energy programs. Some participants linked these to government initiatives; others to the electricity companies and competitive forces. In general, the solar plan was seen as a good idea; however, glitches were common. The generation of power was not smoothly linked into the promised feed-in tariff or buy-back of energy. The power was pumped back into the grid quicker than the cash rebates were delivered. The benefit to ActewAGL and other companies in supporting the program was unclear to many. It was suggested that a speedy rebate was not in ActewAGL's interests because it reduced their profitability; others thought it was in their interest because they could on-sell the solar generated power and thereby increase profits. Many planned to increase the number of solar panels installed to offset expected steep price increases in electricity, mentioned to be upwards of 60% in the next few years.

The green energy program met with more mixed reaction. Participants found that the idea of paying more for having a portion of electricity derived from green sources was hard to understand and accept. The details of the program were themselves unclear. Was the additional 5% a cost to join the program supporting green technology R&D or was it that 5% of the energy derived from green sources?

Although there are uncertainties about the innovations, they were also the seeds of other ideas:

"If there was a company which offered a higher percentage of green electricity in an at-use current rate; we would think that – when I say 'we' and I mean my wife and I – we'd think that's worth looking at." (resident non-switcher)

"If they did an (energy) audit to see if you can improve, to reduce your bill – that is the best customer service. The best word of mouth would be if they came, they said your bill can go down, I'm going to tell 10 people at least." (business switcher)

The cost of electricity is slated to increase, everyone agreed, but the payment of energy bills has not yet affected the ability to meet other household expenditures. Expected increases in rates were likely to trigger searches for lower electricity rates from other companies as well as looks at personal consumption patterns and cutbacks on the use of high-energy appliances such as air-conditioners.

Participants were able to devise several billing ideas for the electricity company itself that could offer lead to savings for the customers and promote switching behaviour:

- Loyalty rewards: the companies should reward longevity, i.e., staying with a supplier over the years. Bills should be discounted as an incentive to retain accounts.
- Direct debit discounts: money that is directly debited from bank accounts saves the company billing costs and late payments. The benefits should be passed on to consumers.
- Pay on time discounts: Customers who pay on time, who avoid late fees, should be rewarded for the good behaviour with a discount on the bills.

5.7 Comments and Suggestions to the Authorities

As a final topic, participants were asked whether they had any comments to make to the AEMC (which was not named in the sessions themselves but rather was called the authority overseeing competition in the electricity and gas markets). There were many suggestions:

- Ensure rates are advertised openly and clearly
- Provide information to the public on company ownership (this relates to the previously discussed preferences for local control of utility)
- Monitor the competition to weed out non-viable companies
- “I think every electricity retailer should at the end of each financial year, give every customer a plain English statement about its profits, its balance sheet and other useful information, so we can see if they are making excess of profits.” (resident non-switchers)
- Pricing structure that discourages the use of “high energy things” like air-conditioners
- An outside independent body to hear disputes (for example, currently, the utility itself checks the meter when the accuracy of the meter is being contested, a conflict of interest).

6. APPENDICES

6.1 Recruitment Screener for Domestic Users

R06340 *AEMC FOCUS GROUP RECRUITMENT - RESIDENTIAL* May, 2010

Good [Morning/ Afternoon/ Evening]. My name is (SAY NAME) from Roy Morgan Research. We're not selling anything. We are conducting paid discussion groups.

May I please speak with a person in the household who is the decision maker or shares in the decision making about the purchase of electricity? We would like to ask you to participate in research about the electricity market in the ACT.

All participants who are eligible to attend will receive $100 in cash as a thank you for taking part.

This research will take place as a group discussion on Monday 24 May. The entire process will take about two hours. People who participate in these groups generally have a fun and interesting time.

IF NECESSARY SAY: Is now a good time or would it be more convenient if I made an appointment to speak to you at another time?

IF NECESSARY, MAKE AN APPOINTMENT.
IF ASK WHO THE CLIENT, HIT ESC H AND SELECT CLIENT$H.
IF RESPONDENT ASKS FOR MORE INFO ABOUT THIS PROJECT OR ROY MORGAN RESEARCH, HIT ESC H AND SELECT RMR$H.
IF RESPONDENT HAS CONCERNS ABOUT PRIVACY ISSUES, HIT ESC H AND SELECT PRIVACY$H

#/

APPOINTMENT COMMENTS
**=*
// #162.

SCREENER SECTION

[Single]

SCR1. Would you be interested in participating in this group discussion? DO NOT READ

1 YES

2 NO

IF NOT INTERESTED IN PARTICIPATING (CODE 2 AT SCR1), SAY:

Thank you for your time and assistance

ENDIF

I just need to ask you a few questions to see if you qualify for the discussion group.

[Quantity] {Min: 1, Max: 9999, Default Value:9999Refusal Code:9998}

SCR2. Firstly, may I please have your home postcode?
IF CAN'T SAY, ESC D.
IF REFUSES, ESC \.

IF CAN'T SAY, REFUSED OR POSTCODE NOT IN RANGES 0200-0299, 2600-2619 OR 2900-2920, SAY:

Thank you for your time and assistance but we need to speak to people who live in ACT.

ENDIF

[Multiple] { Random}

SCR3. Are you, or is anyone in your immediate household, employed by any of the following companies? READ OUT

1		ActewAGL Retail
2		Country Energy
3		Energy Australia
4		Integral Energy
5		Origin Energy
6		TRUenergy
98	Fixed	(DO NOT READ) NONE OF THE ABOVE

IF WORKS FOR ActewAGL Retail (CODE 1 ON SCR3), SAY:

Thank you for your time and assistance You do not qualify for this study.

ENDIF

[Multiple] { Random}

SCR4. For this residence, what types of energy does your household use? READ OUT

1		Electricity
2		Piped Natural Gas
3		Bottled Gas
4		Solar
97	Fixed Openend	OTHER (SPECIFIY)
98	Fixed	(DO NOT READ) DON'T KNOW/ NOT SURE/ CAN'T SAY
99	Fixed	(DO NOT READ) REFUSED

IF CODE 1 NOT SELECTED OR SELECTED CODE 97, CODE 98 OR 99 ONLY ON SCR4, SAY:

Thank you for your time and assistance but we need to speak with people who use certain types of energy.

ENDIF

END OF SCREENER SECTION

START OF QUESTIONNIRE - POST SCREENERS

[Single]

Q1. Have you switched electricity companies in the ACT since July 2003? DO NOT READ

1	YES
2	NO
3	DON'T KNOW/ NOT SURE/ CAN'T SAY

IF DID NOT SWITCH OR DON'T KNOW/ CAN'T SAY (CODE 2 OR 3 ON Q1), ASK:

[Single]

Q2. Are you considering switching your electricity company in the ACT the next 12 months? DO NOT READ OUT

1	YES
2	NO
3	DON'T KNOW/ NOT SURE/ CAN'T SAY

IF NOT CONSIDERING SWITCHING (CODE 2 OR 98 ON Q2), ASK:

[Single]

Q3. Have you taken out a market contract from your electricity supplier in the ACT the last 12 months?

INTERVIEWER NOTE: IF RESPONDENT ASKS WHAT A MARKET CONTRACT IS, SAY: A market contract is any negotiated price or conditions on your electricity contract. This is in contrast to a 'standing contract' which is the basic type of energy contract.

1	YES
2	NO
3	DON'T KNOW/ NOT SURE/ CAN'T SAY

ENDIF

ENDIF

IF ANSWERED NO OR CAN'T SAY ON Q1, Q2 AND Q3 (CODE 2 OR 3 ON Q1, Q2 AND Q3), RESPONDENT CLASSED AS 'NON SWITCHING'

IF ANSWERED YES ON Q1, Q2 OR Q3 (CODE 1 ON Q1, Q2 OR Q3), RESPONDENT CLASSED AS 'SWITCHING'

[Single] {Removed}

GROUP ALLOCATION

1	SWITCHERS- 5:30 TO 7:30PM
2	NON SWITHERS- 8:00 TO 10:0PM

IF ALLOCATED GROUPS ARE FULL

Thank you for your time and assistance but the group you have qualified for has been filled

[Single]

Q4. Can you please tell me which age group you fall under? READ OUT

1 Under 50 years

2 50 years or over

[Single] {Removed}

AGE ALLOCATION

1 UNDER 50 YEARS

2 50 YEARS OR OVER

IF ALLOCATED AGE GROUPS ARE FULL

Thank you for your time and assistance but the group you have qualified for has been filled

[Single]

INTERVIEWER: RECORD GENDER OF RESPONDENT

1 MALE

2 FEMALE

[Single] {Removed}

GENDER ALLOCATION

1 MALE

2 FEMALE

[Single] {Removed}

GROUP BY GENDER

1 SWITCH MALE

2 SWITCH FEMALE

3 NON-SWITCH MALE

4 NON-SWITCH FEMALE

IF ALLOCATED GENDER GROUPS ARE FULL

Thank you for your time and assistance but the group you have qualified for has been filled

Thank you for your time and assistance but the group you have qualified for has been filled

IF ALLOCATED TO SWITCHING GROUP

[Single]

Q6A. The discussion group will be held at the Novotel Hotel Canberra, 65 Northbourne Avenue on Monday 24th May, at 5.30pm. Will you be able to attend this group?

INTERVIEWER NOTE:
IF ABLE TO ATTEND, REPEAT DETAILS AND WAIT FOR THE RESPONDENT TO WRITE THEM DOWN. SELECT YES TO CONINUE.

IF NOT ABLE TO ATTEND, SELECT NO TO CONTINUE.

1 YES, CAN ATTEND

2 NO, CAN NOT ATTEND

IF UNABLE TO ATTEND (CODE 2 ON Q6A), SAY:

Thank you for your time and assistance

ENDIF

ENDIF

IF ALLOCATED TO NON SWITCHING GROUP

[Single]

Q6B. The discussion group will be held at the Novotel Hotel Canberra, 65 Northbourne Avenue on Monday 24th May, at 8.00pm. Will you be able to attend this group?

INTERVIEWER NOTE:
IF ABLE TO ATTEND, REPEAT DETAILS AND WAIT FOR THE RESPONDENT TO WRITE THEM DOWN. SELECT YES TO CONINUE.

IF NOT ABLE TO ATTEND, SELECT NO TO CONTINUE.

1	YES, CAN ATTEND
2	NO, CAN NOT ATTEND

IF UNABLE TO ATTEND (CODE 2 ON Q6B), SAY:

Thank you for your time and assistance

ENDIF

ENDIF

Thank you for agreeing to participate in this study. I just need to ask a few of your details so we can send you a reminder closer to the date.

[Character] {Format: 50}

QNAME. Can I please have your complete name?

INTERVIEWER NOTE: PLEASE TYPE IN FIRST AND LAST NAME

[Single]

QPHONE1. Is this the most convenient phone number to contact you on regarding the focus groups?

1 YES

2 NO

IF NOT MOST CONVENIENT PHONE NUMBER (CODE 2 ON QPHONE1), ASK:

[Character] {Format: 20}

QPHONE2: What phone number would you like us to contact you on?

ENDIF

[Single]

QMAP. Would you like to receive a map of the hotel location?

1 YES

2 NO

IF YES ON QMAP (CODE 1 ON QMAP), ASK:

[Single]

QEMAIL. Can you tell me the best email address to send a map to?

INTERVIEWER NOTE:
IF EMAIL ADDRESS GIVEN, READ BACK TO RESPONEDENT AND CONFIRM SPELLING.
IF RESPONDENT DOES NOT HAVE AN EMAIL ADDRESS, HOME ADDRESS WILL BE ASKED FOR ON FOLLOWING SCREENS.

97 Openend ENTER EMAIL ADDRESS (SPECIFY)

98 NO EMAIL ADDRESS GIVEN/ DOES NOT HAVE EMAIL ADDRESS

IF NO EMAIL ADDRESS GIVEN/ DOES NOT HAVE EMAIL ADDRESS (CODE 98 ON QEMAIL), ASK:

Can you tell me the best postal address to send a map to?

INTERVIEWER: ENTER STREET ADDRESS, SUBURB/TOWN, STATE AND POSTCODE SEPERATLY ON THE FOLLOWING SCREENS.

[Character] {Format: 50}

POST_STREET. ENTER RESPONDENT'S STREET ADDRESS HERE

[Character] {Format: 50}

POST_SUBURB. ENTER RESPONDENT'S SUBURB HERE

[Character] {Format: 3}

POST_STATE. ENTER RESPONDENT'S STATE HERE

[Character] {Format: 4}

POST_POST. ENTER RESPONDENT'S POSTCODE HERE

[Multiple]

POST_CHECK. To make sure that I have taken your address correctly, can you please confirm your address as... READ OUT

[%POST_STREET]
[%POST_SUBURB]
[%POST_STATE]
[%POST_POST]

1	Single	YES, ALL CORRECT
2		NO, STREET ADDRESS NOT CORRECT
3		NO, SUBURB NOT CORRECT
4		NO, STATE NOT CORRECT
5		NO, POSTCODE NOT CORRECT

ENDIF

ENDIF

IF ATTENDING TO SWITCHING GROUP

Please bring your most recent electricity bill to the focus group. Please be assured that we will only be talking about the format of the bill and the clarity of information on the bill.

We look forward to seeing you at the Novotel Hotel Canberra, 65 Northbourne Avenue on Monday 24th May, at 5.30pm. Please make a note of the date, time and venue address. When you arrive at the hotel, please proceed to the reception and they will direct you to the discussion room

ENDIF

IF ATTENDING NON SWITCHING GROUP

Please bring your most recent electricity bill to the focus group. Please be assured that we will only be talking about the format of the bill and the clarity of information on the bill.

We look forward to seeing you at the Novotel Hotel Canberra, 65 Northbourne Avenue on Monday 24th May, at 8.00pm. Please make a note of the date, time and venue address. When you arrive at the hotel, please proceed to the reception and they will direct you to the discussion room

ENDIF

If you have any queries or questions or you can no longer attend the session for any reason, please call Antonietta Bono at Roy Morgan Research on 1800 337 332 so we can find a replacement for you. Please note down this number.

Thank you for your time and assistance. This market research is carried out in compliance with the Privacy Act, and the information you provided will be used only for research purposes.

We are conducting this research on behalf of Australian Energy Market Commission (AEMC).

If you would like any more information about this project or Roy Morgan Research, you can phone us on 1800 337 332.

6.2 Recruitment Screener for Business Users

R06340 *AEMC RECRUITMENT QUESTIONNAIRE - MAY 2010 BUSINESS* May, 2010

Good [Morning/ Afternoon/ Evening]. My name is (SAY NAME) from Roy Morgan Research. We're not selling anything. We are conducting paid discussion groups.

May I please speak with a person in the business who is the decision maker or shares in the decision making about the purchase of electricity? We would like to ask you to participate in research about the electricity market in the ACT.

All participants who are eligible to attend will receive $150 in cash as a thank you for taking part.

This research will take place as a group discussion on Tuesday 25th May. The entire process will take about two hours. People who participate in these groups generally have a fun and interesting time.

IF NECESSARY SAY: Is now a good time or would it be more convenient if I made an appointment to speak to you at another time?

IF NECESSARY, MAKE AN APPOINTMENT.
IF ASK WHO THE CLIENT, HIT ESC H AND SELECT CLIENT$H.
IF RESPONDENT ASKS FOR MORE INFO ABOUT THIS PROJECT OR ROY MORGAN RESEARCH, HIT ESC H AND SELECT RMR$H.
IF RESPONDENT HAS CONCERNS ABOUT PRIVACY ISSUES, HIT ESC H AND SELECT PRIVACY$H

#/

APPOINTMENT COMMENTS
**=*
// #162.

SCREENER SECTION

[Single]

SCR1. Would you be interested in participating in this group discussion? DO NOT READ

1 YES

2 NO

IF NOT INTERESTED IN PARTICIPATING (CODE 2 AT SCR1), SAY:

Thank you for your time and assistance

ENDIF

I just need to ask you a few questions to see if you qualify for the discussion group.

[Quantity] {Min: 1, Max: 9999, Default Value:9999Refusal Code:9998}

SCR2. Firstly, may I please have your business postcode?
IF CAN'T SAY, ESC D.
IF REFUSES, ESC \.

IF CAN'T SAY, REFUSED OR POSTCODE NOT IN RANGES 0200-0299, 2600-2619 OR 2900-2920, SAY:

Thank you for your time and assistance but we need to speak to people who live in ACT.

ENDIF

[Multiple] { Random}

SCR4. What types of energy does your business use? READ OUT

1		Electricity
2		Piped Natural Gas
3		Bottled Gas
4		Solar
97	Fixed Openend	OTHER (SPECIFIY)
98	Fixed	(DO NOT READ) DON'T KNOW/ NOT SURE/ CAN'T SAY
99	Fixed	(DO NOT READ) REFUSED

IF CODE 1 NOT SELECTED OR SELECTED CODE 97, CODE 98 OR 99 ONLY ON SCR4, SAY:

Thank you for your time and assistance but we need to speak with people who use certain types of *energy.*

ENDIF

END OF SCREENER SECTION

START OF QUESTIONNIRE - POST SCREENERS

Please answer the following questions regarding your business electricity consumption.

[Single]

Q0. How much is your business' average monthly bill for electricity?

1	Less than $500 per month
2	$500 - $999 per month
3	$1000 - 1499 per month
4	$1500 - 1999 per month
5	$2000 - 2499 per month
6	$2500 or more per month
98	DON'T KNOW/NOT SURE/CAN'T SAY
99	(DO NOT READ) REFUSED

IF MONTHLY BILL IS $1500 or MORE (CODE 4 to 6 ON Q1 OR CODES 98-99)

Thank you for your time and assistance but we are looking for businesses of a certain size.

ENDIF

[Single]

Q1. Have you switched electricity companies in the ACT since July 2003? DO NOT READ

1 YES

2 NO

3 DON'T KNOW/ NOT SURE/ CAN'T SAY

IF DID NOT SWITCH OR DON'T KNOW/ CAN'T SAY (CODE 2 OR 3 ON Q1), ASK:

[Single]

Q2. Are you considering switching your electricity company in the ACT the next 12 months? DO NOT READ OUT

1 YES

2 NO

3 DON'T KNOW/ NOT SURE/ CAN'T SAY

IF NOT CONSIDERING SWITCHING (CODE 2 OR 98 ON Q2), ASK:

[Single]

Q3. Have you taken out a market contract from your electricity supplier in the ACT the last 12 months?

INTERVIEWER NOTE: IF RESPONDENT ASKS WHAT A MARKET CONTRACT IS, SAY: A market contract is any negotiated price or conditions on your electricity contract. This is in contrast to a 'standing contract' which is the basic type of energy contract.

1 YES

2 NO

3 DON'T KNOW/ NOT SURE/ CAN'T SAY

ENDIF

ENDIF

IF ANSWERED NO OR CAN'T SAY ON Q1, Q2 AND Q3 (CODE 2 OR 3 ON Q1, Q2 AND Q3), RESPONDENT CLASSED AS 'NON SWITCHING'

IF ANSWERED YES ON Q1, Q2 OR Q3 (CODE 1 ON Q1, Q2 OR Q3), RESPONDENT CLASSED AS 'SWITCHING'

[Single] {Removed}

GROUP ALLOCATION

1 SWITCHERS- 5:30 TO 7:30PM

2 NON SWITHERS- 8:00 TO 10:0PM

IF ALLOCATED GROUPS ARE FULL

Thank you for your time and assistance but the group you have qualified for has been filled

[Single]

Q4. Can you please tell me which age group you fall under? READ OUT

1 Under 50 years

2 50 years or over

[Single] {Removed}

AGE ALLOCATION

1 UNDER 50 YEARS

2 50 YEARS OR OVER

IF ALLOCATED AGE GROUPS ARE FULL

Thank you for your time and assistance but the group you have qualified for has been filled

[Single]

INTERVIEWER: RECORD GENDER OF RESPONDENT

1 MALE

2 FEMALE

[Single] {Removed}

GENDER ALLOCATION

1 MALE

2 FEMALE

IF ALLOCATED GENDER GROUPS ARE FULL

Thank you for your time and assistance but the group you have qualified for has been filled

IF ALLOCATED TO SWITCHING GROUP

[Single]

Q6A. The discussion group will be held at the Novotel Hotel Canberra, 65 Northbourne Avenue on Tuesday 25th May, at 5.30pm. Will you be able to attend this group?

INTERVIEWER NOTE:
IF ABLE TO ATTEND, REPEAT DETAILS AND WAIT FOR THE RESPONDENT TO WRITE THEM DOWN. SELECT YES TO CONINUE.

IF NOT ABLE TO ATTEND, SELECT NO TO CONTINUE.

1 YES, CAN ATTEND

2 NO, CAN NOT ATTEND

IF UNABLE TO ATTEND (CODE 2 ON Q6A), SAY:

Thank you for your time and assistance

ENDIF

ENDIF

IF ALLOCATED TO NON SWITCHING GROUP

[Single]

Q6B. The discussion group will be held at the Novotel Hotel Canberra, 65 Northbourne Avenue on Tuesday 25th May, at 8.00pm. Will you be able to attend this group?

INTERVIEWER NOTE:
IF ABLE TO ATTEND, REPEAT DETAILS AND WAIT FOR THE RESPONDENT TO WRITE THEM DOWN. SELECT YES TO CONINUE.

IF NOT ABLE TO ATTEND, SELECT NO TO CONTINUE.

1 YES, CAN ATTEND

2 NO, CAN NOT ATTEND

IF UNABLE TO ATTEND (CODE 2 ON Q6B), SAY:

Thank you for your time and assistance

ENDIF

ENDIF

Thank you for agreeing to participate in this study. I just need to ask a few of your details so we can send you a reminder closer to the date.

[Character] {Format: 50}

QNAME. Can I please have your complete name?

INTERVIEWER NOTE: PLEASE TYPE IN FIRST AND LAST NAME

[Character] {Format: 50}

Can I please have your business' name?

[Single]

QPHONE1. Is this the most convenient phone number to contact you on regarding the focus groups?

1	YES
2	NO

IF NOT MOST CONVENIENT PHONE NUMBER (CODE 2 ON QPHONE1), ASK:

[Character] {Format: 20}

QPHONE2: What phone number would you like us to contact you on?

ENDIF

[Single]

QMAP. Would you like to receive a map of the hotel location?

1	YES
2	NO

IF YES ON QMAP (CODE 1 ON QMAP), ASK:

[Single]

QEMAIL. Can you tell me the best email address to send a map to?

INTERVIEWER NOTE:
IF EMAIL ADDRESS GIVEN, READ BACK TO RESPONEDENT AND CONFIRM SPELLING.
IF RESPONDENT DOES NOT HAVE AN EMAIL ADDRESS, HOME ADDRESS WILL BE ASKED FOR ON FOLLOWING SCREENS.

97	Openend	ENTER EMAIL ADDRESS (SPECIFY)
98		NO EMAIL ADDRESS GIVEN/ DOES NOT HAVE EMAIL ADDRESS

IF NO EMAIL ADDRESS GIVEN/ DOES NOT HAVE EMAIL ADDRESS (CODE 98 ON QEMAIL), ASK:

Can you tell me the best postal address to send a map to?

INTERVIEWER: ENTER STREET ADDRESS, SUBURB/TOWN, STATE AND POSTCODE SEPERATLY ON THE FOLLOWING SCREENS.

[Character] {Format: 50}

POST_STREET. ENTER RESPONDENT'S STREET ADDRESS HERE

[Character] {Format: 50}

POST_SUBURB. ENTER RESPONDENT'S SUBURB HERE

[Character] {Format: 3}

POST_STATE. ENTER RESPONDENT'S STATE HERE

[Character] {Format: 4}

POST_POST. ENTER RESPONDENT'S POSTCODE HERE

[Multiple]

POST_CHECK. To make sure that I have taken your address correctly, can you please confirm your address as... READ OUT

[%POST_STREET]
[%POST_SUBURB]
[%POST_STATE]

[%POST_POST]

1	Single	YES, ALL CORRECT
2		NO, STREET ADDRESS NOT CORRECT
3		NO, SUBURB NOT CORRECT
4		NO, STATE NOT CORRECT
5		NO, POSTCODE NOT CORRECT

ENDIF

ENDIF

IF ATTENDING TO SWITCHING GROUP

Please bring your most recent electricity bill to the focus group. Please be assured that we will only be talking about the format of the bill and the clarity of information on the bill.

We look forward to seeing you at the Novotel Hotel Canberra, 65 Northbourne Avenue on Tuesday 25th May, at 5.30pm. Please make a note of the date, time and venue address. When you arrive at the hotel, please proceed to the reception and they will direct you to the discussion room

ENDIF

IF ATTENDING NON SWITCHING GROUP

Please bring your most recent electricity bill to the focus group. Please be assured that we will only be talking about the format of the bill and the clarity of information on the bill.

We look forward to seeing you at the Novotel Hotel Canberra, 65 Northbourne Avenue on Tuesday 25th May, at 8.00pm. Please make a note of the date, time and venue address. When you arrive at the hotel, please proceed to the reception and they will direct you to the discussion room

ENDIF

If you have any queries or questions or you can no longer attend the session for any reason, please call Antonietta Bono at Roy Morgan Research on 1800 337 332 so we can find a replacement for you. Please note down this number.

Thank you for your time and assistance. This market research is carried out in compliance with the Privacy Act, and the information you provided will be used only for research purposes.

We are conducting this research on behalf of Australian Energy Market Commission (AEMC).

If you would like any more information about this project or Roy Morgan Research, you can phone us on 1800 337 332.

6.3 Focus Group Discussion Guide for Domestic Users (switchers/non-switchers)

RESIDENTS 24.5.10

NON-SWITCHERS 8 pm ( ) "SWITCHERS" 5:30 ( )

Project: AEMC Effectiveness of Competition in ACT Electricity Market

Focus Group Discussion Guide:

My name is Steve Braddon from Roy Morgan Research. Today we are talking about the electricity you use for your home, here in the ACT. In particular we'll be discussing the companies you deal with, and your attitudes, behaviours, and choices. Thanks for agreeing to participate in this session. It will last about two hours.

There are some basic rules of focus groups to discuss before we begin.

Grounds rule (TO BE PUT ON THE FLIPCHART/ WHITEBOARD TO SAVE TIME)

- No right/ wrong answers; speak honestly
- Feel free to disagree / not looking for everyone to agree with each other
- One conversation at a time PLEASE
- Respect for everyone's opinion
- Mobile phones off
- Eat the food!
- Location of toilets
- Session will be recorded (need it for report- as agreed)
    - Information provided will be summarised for reports, not linked to your name/ no attributed quotes

Did you all bring your recent electricity bill? We're going to talk about it later.

WARM-UP (10 minutes, includes intro. above)

As a little warm-up, can you tell me about yourself briefly? I'll start….

ELECTRICITY: THE CURRENT SITUATION (10 minutes)

Let's talk about the electricity supply in your home at present.

- What company are you with?
- Was it a decision on your part? If so, how did you decide on them? Explain.
- What different elec. companies or roles are there? What do they each do? (Listen for any descriptions of retailer vs. distributor)

CHOICES/OPTIONS FOR ELECTRICITY (25 minutes): *SWITCHERS*

- How did you find out that you could switch?
- Why are you thinking about switching? Do you like the idea of choosing your electricity company (i.e., of having that as an option)?
- What does switching mean to you? Probe change of companies vs. change of existing arrangements with current company
- What are you looking for in a new electricity company? (Listen for descriptions of offers/rebates; standard vs. market contracts).
- Is switching for you a rational/logical decision, an emotional/intuitive one, or both? Why? (do you get different "feelings" from different companies?)

CHOICES/OPTIONS FOR ELECTRICITY (25 minutes): *NON-SWITCHERS*

- What does switching mean to you? Probe change of companies vs. change of existing arrangements with current company
- Can you switch electricity suppliers if you want? If yes, how did you find that out?
- Why have you not switched?
- What would prompt you to look into switching? Do you like the idea of choosing your electricity company (i.e., of having that as an option)?
- Do you think it would be rational/logical decision, an emotional/intuitive one, or both? Why? (do you get different "feelings" from different companies?)

COMPETITION (15 minutes)

- Would you say companies are competing/can compete for your electricity usage? When did competition start in the ACT?
- Competing for what exactly? What do you understand competition to mean?
- What companies are competing?
- How do you/can you/will you benefit from the competition? What are they offering you to compete with other companies? What appeals to you in the offers? (discuss rebates/time of energy use discounts/other discounts, incentives, gifts, bundling, etc.)
- Benefits of bundling services within energy areas (elec./gas.) and across areas (energy/telecom etc)
- Are there electricity suppliers/retailers that have recently entered the ACT?

BEFORE AND AFTER SWITCHING (15 minutes): *SWITCHERS:*

Where is your info coming from about switching? What sources have you found most/least helpful? Does your current supplier have any obligation to provide information that will assist you in switching to a new provider?

  - Door-knockers. Information accurate?
  - Telephone salespeople. Information accurate?
  - Company websites? Helpful? Easy to use?
  - Other sources encountered

- (How) could the provision of information be improved? Probe for insufficient information, difficult to understand, unable to compare offers, etc.
- Any experiences of pressure to change or not change? Encounters with anything unfair/shady/unethical? Who would you complain to / report it to? Have you done so?
- Are there any penalties for switching? Expect any problems?
- How did the switch go (if you switched)? Happy/satisfied? Specific benefits to you? Did you negotiate a deal with the company? Compare services/rates across competitors?
- If you are just thinking about switching, what would trigger actual switching?

BEFORE AND AFTER SWITCHING (15 minutes): *NON-SWITCHERS*

Where would you go for info about switching? What sources do you think would be most/least helpful? Does your current supplier have any obligation to provide information that would assist you in switching to a new provider?

- o Have you been approached by door-knockers? Describe experience.
- o Telephone salespeople.
- o Have you gone to any company websites? Helpful? Easy to use?
- o Other sources encountered

- Any experiences of pressure to change or not change? Encounters with anything unfair/shady/unethical? Who would you complain to / report it to? Have you done so?
- Are there any penalties for switching? Expect any problems?
- What do you expect benefits of switching would be/ could be/ should be?
- Considering switching? Why /what would trigger or motivate? What are the barriers to switching, if any? (for triggers listen for/probe awareness of price rises, alternative pricing structures (time of use, fixed vs. variable charges, capped tariffs, tracker tariffs etc, alternative energy sources, energy advice.

ELECTRICITY BILL (10 minutes)

Let's talk about the bill you receive.

- Clarity of information
- Understanding of rates
- Appearance of helpful or useful information relating to switching or informing decisions

OTHER TOPICS (5-10 minutes)

- Would you consider yourself well informed about the energy/electricity companies in ACT? Why?
- Are you familiar with the difference between a standard vs. market contract for electricity? What is the benefit of one vs. other? Who has them? Why?
- Are you familiar with the difference between energy retailers and distributors? What is the difference? Does it matter?
- Are there any new products/features/offers available from the electricity companies? Is this because of competition or something else?
- Does the payment of your energy bills impact on your ability to meet other household expenditures? How severely?
- Would you be more/less interested in choosing and possibly changing your energy supplier if your energy bills were a higher proportion of your income?

Comments and Suggestions (5 minutes)

If you had any suggestions or recommendations to the authorities overseeing competition in the electricity and gas markets, what would they be?

6.4 Focus Group Discussion Guide for Business Users (switchers/non-switchers)

BUSINESSES 25 May 2010
NON-SWITCHERS 8 pm ( ) "SWITCHERS" 5:30 pm ( )

Project: AEMC Effectiveness of Competition in ACT Electricity Market

Focus Group Discussion Guide

My name is Steve Braddon from Roy Morgan Research. Today we are talking about the electricity you use for your business, here in the ACT. In particular we'll be discussing the companies you deal with, and your attitudes, behaviours, and choices. Thanks for agreeing to participate in this session. It will last about 2 hours.
There are some basic rules of focus groups to discuss before we begin.

<u>Grounds rule</u> (TO BE PUT ON THE FLIPCHART/ WHITEBOARD TO SAVE TIME)

- No right/ wrong answers; speak honestly
- Feel free to disagree / not looking for everyone to agree with each other
- One conversation at a time PLEASE
- Respect for everyone's opinion
- Mobile phones off
- Eat the food!
- Location of toilets
- Session will be recorded (need it for report- as agreed)
- Information provided will be summarised for reports, not linked to your name/ no attributed quotes

Did you all bring your recent electricity bill? We're going to talk about it later.

WARM-UP (10 minutes, includes intro. above)

As a little warm-up, can you tell me about your company briefly?

ELECTRICITY: THE CURRENT SITUATION (15 minutes)

Let's talk about the electricity supply in your business at present.

- What company are you with?
- Was it a decision on your part? If so, how did you decide on them? Explain.
- What different elec. companies or roles are there? What do they each do? (Listen for any descriptions of retailer vs. distributor)

CHOICES/OPTIONS FOR ELECTRICITY (25 minutes): *SWITCHERS:*

- How did you find out that you could switch?
- Why are you thinking about switching? Do you like the idea of choosing your electricity company (i.e., of having that as an option)?
- What does switching mean to you? Probe change of companies vs. change of existing arrangements with current company
- What are you looking for in a new electricity company? (Listen for descriptions of offers/rebates; standard vs. market contracts).
- Is switching for you a rational/logical decision, an emotional/intuitive one, or both? Why? (do you get different "feelings" from different companies?)

CHOICES/OPTIONS FOR ELECTRICITY (25 minutes)*: NON-SWITCHERS:*

- What does switching mean to you? Probe change of companies vs. change of existing arrangements with current company
- Can you switch electricity suppliers if you want? If yes, how did you find that out?
- Why have you not switched?
- What would prompt you to look into switching? Do you like the idea of choosing your electricity company (i.e., of having that as an option)?
- Do you think it would be rational/logical decision, an emotional/intuitive one, or both? Why? (do you get different "feelings" from different companies?)

COMPETITION (20 minutes)

- Would you say companies are competing/can compete for your electricity usage? When did competition start in the ACT?
- Competing for what exactly? What do you understand competition to mean?
- What companies are competing?
- How do you/can you/will you benefit from the competition? What is contained in the competitive offer? What appeals to you in the offers? (discuss rebates/time of energy use discounts/other discounts, incentives, gifts, bundling, etc.)
- Benefits of bundling services within energy areas (elec/gas.) and across areas (energy/telcom etc.)
- Are there electricity suppliers/retailers that have recently entered the ACT?

BEFORE AND AFTER SWITCHING (15 minutes): *SWITCHERS*

- Where is your info coming from about switching? What sources have you found most/least helpful? Does your current supplier have any obligation to provide information that will assist you in switching to a new provider?
    - Door-knockers. Information accurate?
    - Telephone salespeople. Information accurate?
    - Company websites? Helpful? Easy to use?
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- Are there any penalties for switching? Expect any problems?
- How did the switch go (if you switched)? Happy/satisfied? Specific benefits to you? Did you negotiate a deal with the company? Compare services/rates across competitors?
- If you are just thinking about switching, what would trigger actual switching?

BEFORE AND AFTER SWITCHING (15 minutes): *NON-SWITCHERS*

- Where would you go for info about switching? What sources do you think would be most/least helpful? Does your current supplier have any obligation to provide information that would assist you in switching to a new provider?
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- Have you gone to any company websites? Helpful? Easy to use?
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- Any experiences of pressure to change or not change? Encounters with anything unfair/shady/unethical? Who would you complain to / report it to? Have you done so?
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ELECTRICITY BILL (10 minutes)

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- Would you be more/less interested in choosing and possibly changing your energy supplier if your energy bills were a higher proportion of your income?

Comments and Suggestions (5 minutes)

If you had any suggestions or recommendations to the authorities overseeing competition in the electricity and gas markets, what would they be?